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19 April 1988

MEMORANDUM FOR THE RECORD

SUBJECT: PRG Meeting on the Persian Gulf, 18 April 1988

- 1. The PRG assembled at 2:00 p.m. Monday to assess the results of the day's military operations in the Persian Gulf. Admiral Jonathan Howe briefed on the day's events and the damage inflicted on Iranian naval units. Howe stressed that conclusive evidence as to whether or not SILKWORM missiles had been fired was lacking. He also reported the apparent loss of one US Navy helicopter in the southern Gulf.
- 2. I briefed the group on CIA's thinking regarding likely Iranian reaction once the immediate naval confrontation in the Gulf had ended. I pointed out that prior to Monday's events Iran seemed to be preparing to embark on a more aggressive course. A general rise in anti-US rhetoric inside Iran, terrorist attacks against Saudi facilities since March, the decision to resume mining in the Gulf itself, all suggested that the leadership in Tehran is now less inclined or able to resist pressures from hard line elements who are demanding a more belligerent approach to adjusting the status quo in Iran's favor. Monday's setback in the Gulf likely will only increase the frustration level in Tehran. I pointed out that this frustration will be compounded by the successful Iraqi offensive over the weekend which forced Iranian forces completely off the Al Faw peninsula to the Iranian side of the Shatt Al-Arab. The US and our Gulf state allies should be braced for a series of retaliatory Iranian steps such as SILKWORM firings against Kuwaiti oil facilities, other acts of sabotage against Saudi and Gulf state targets, and naval action against unescorted shipping in the Gulf. We also should be prepared for a new round of Iranian terrorist activities. In this regard I reminded the PRG that Iran does possess contingency plans for actions against US individuals and facilities in Europe and the Gulf.
- 3. The assessment that we may now be faced with a more dangerous and predictable Iran was unanimously shared by all.

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NATIONAL SECURITY COUNCIL WASHINGTON D.C. 20506 SYSTEM II 90372

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April 18, 1988

MEMORANDUM FOR MR. DONALD GREGG

Assistant to the Vice President for National Security Affairs

MR. MELVYN LEVITSKY Executive Secretary Department of State

COL. WILLIAM M. MATZ Executive Secretary Department of Defense

Executive Secretary Central Intelligence Agency

RADM. JOSEPH C. STRASSER Executive Assistant to the Chairman Joint Chiefs of Staff

SUBJECT:

PRG Meeting on Monday, April 18, 1988 (U)

There will be a PRG meeting on Monday, April 18, 1988, at 2 p.m., in the Situation Room of the White House. The topic of discussion is the Persian Gulf. Attached is an agenda for today's meeting. (S)

Paul Schott Stevens Executive Secretary

Attachment Agenda

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POLICY REVIEW GROUP MEETING

Monday, April 18, 1988 Situation Room 2:00 - 3:00 p.m.

Persian Gulf

Agenda

| I. | Military Action Report | |
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| | o US action vs. military platforms (10 minutes | ì |
| | o Iranian response | |
| | o US and other reactions to Iranian response | |
| II. | Intelligence Estimate CIA | |
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| | o Possible further Iranian military or terrorist actions vs. US, Gulf states, ships in Gulf | |
| | o Report on Iran-Iraq war | |
| | o Report on Itali-Itaq war | |
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| III. | Diplomatic Action State (10 minutes |) |
| | o Private and public responses of other governments to US demarches and actions | |
| | o UN sitrep | |
| | o Follow-up actions envisaged | |
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| IV. | Longer-term Issues | } |
| | o Need for new, more collective approach to protection in Gulf (GCC, US, NATO-5) | |
| " | Contingency planning for additional action vs. Iran | |

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